

## SENATE BILL No. 39

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 25-34.1-11-16.5.

**Synopsis:** Real estate appraiser compensation rates. Requires real estate appraisal management companies to compensate real estate appraisers for performing appraisals at a rate that is customary and reasonable for appraisals performed in the market area in which the property that is appraised is located based on: (1) objective third party information, including government agency fee schedules, academic studies, and independent private sector surveys; or (2) customary and reasonable appraisal compensation rate schedules established by the real estate appraiser licensure and certification board.

**Effective:** July 1, 2016.

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## Kruse

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January 5, 2016, read first time and referred to Committee on Commerce & Technology.

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Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

## SENATE BILL No. 39

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 25-34.1-11-16.5 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2016]: **Sec. 16.5. (a) For purposes of this**  
4 **section, a market area must be identified by a single:**

- 5           (1) county;  
6           (2) metropolitan area; or  
7           (3) postal ZIP code area.

8       **(b) An appraisal management company shall compensate real**  
9 **estate appraisers for performing appraisals at a rate:**

- 10           (1) that is customary and reasonable for appraisals performed  
11           in the market area in which the property that is appraised is  
12           located; and  
13           (2) that is consistent with any applicable federal law;  
14 as provided under subsection (c) or, if the board has adopted rules  
15 under subsection (d), as provided under subsection (d).

16       **(c) To establish customary and reasonable appraisal**  
17 **compensation rates under this section, an appraisal management**



1       **company:**  
2               **(1) may use objective third party information, including:**  
3                   **(A) government agency fee schedules;**  
4                   **(B) academic studies; and**  
5                   **(C) independent private sector surveys; and**  
6               **(2) may not use appraisal compensation rate studies ordered**  
7               **or requested by appraisal management companies.**  
8               **(d) The board may adopt rules under IC 4-22-2 to establish**  
9       **customary and reasonable appraisal compensation rate schedules**  
10       **that may be used by appraisal management companies to fulfill the**  
11       **requirements of subsection (b).**

